

LAW OFFICES

DRINKER BIDDLE & REATH LLP

PHILADELPHIA NATIONAL BANK BUILDING
1345 CHESTNUT STREET
PHILADELPHIA, PA 19107-3496
(215) 988-2700

SUITE 900
901 FIFTEENTH STREET, N.W.
WASHINGTON, D.C. 20005-2333
TELEPHONE: (202) 842-8800
FAX: (202) 842-8465

SUITE 300
105 COLLEGE ROAD EAST
P.O. BOX 627
PRINCETON, NJ 08542-0627
(609) 716-6500

SUITE 300
1000 WESTLAKES DRIVE
BERWYN, PA 19312-2409
(610) 993-2200

May 9, 1997

BY HAND DELIVERY

EX PARTE OR LATE FILED

William F. Caton
Acting Secretary
Federal Communications Commission
1919 M Street, NW, Room 222
Washington, DC 20554

RECEIVED

MAY 9 1997

Federal Communications Commission
Office of Secretary

Re: Written Ex Parte Presentation -
WT Docket No. 97-82/PP Docket No. 93-253

DOCKET FILE COPY ORIGINAL

Dear Mr. Caton:

Cook Inlet Communications ("CIC") hereby gives notice of a written ex parte presentation in the above-referenced proceeding. The presentation was made in the form of the attached letter.

CIC delivered the attached letter to Chairman Hundt, and to Commissioners Quello, Ness, and Chong. CIC also delivered the attached letter to individuals in the Office of General Counsel and the Wireless Telecommunications Bureau.

Two copies of the letter are included with this notification pursuant to Section 1.1206(a)(1) of the Commission's Rules, 47 C.F.R. § 1.1206(a)(1).

Sincerely,



Tina M. Pidgeon

Enclosures

cc: Chairman Reed E. Hundt
Commissioner James Quello
Commissioner Rachelle Chong
Commissioner Susan Ness
Jackie Chorney
Suzanne Toller
David Siddall

Peter Tenhula
Rosalind Allen
Kathleen Ham
Dan Phythyon
Jonathan Cohen
Jerome Fowlkes

Evan Kwerel
Rhonda Lien
Ramona Melson
Laura Smith
D'wana Speight
Amy Zoslov

No. of Copies rec'd
List ABCDE

023

EX PARTE OR LATE FILED



COOK INLET COMMUNICATIONS

May 9, 1997

RECEIVED

MAY 9 1997

Chairman Reed E. Hundt
Federal Communications Commission
1919 M Street, Room 814
Washington, DC 20554

Federal Communications Commission
Office of Secretary

Re: WT Docket No. 97-82, PP Docket No. 93-253: Part I Wireless Rules (Ex Parte)

Dear Chairman Hundt:

It has come to my attention that in Carl Marrs' letter to you dated May 7, 1997, the spreadsheet prepared by our office was in error. The amount of lost value to the government under the proposal made by Mr. Sawicki approaches one billion dollars (not three billion as reported in the original attachment). I apologize for the error. A modified spread sheet is attached.

The amount at issue, of course, remains very substantial and a matter of genuine public concern. To provide some perspective, the amount to be given away under the proposal constitutes the following:

- A 9 percent rebate by the government of value from the C block auctions.
- If that same rebate were applied to the net revenue generated by the combined A, B, D, E and F block PCS auctions (\$9.5 billion), a return to the bidders of \$855 million would be required.
- Approximately five times (483 percent) the FCC's operating budget (\$190 million) for Fiscal Year 1997.
- Approximately eight times (835 percent) the amount (\$110 million) appropriated by Congress for breast cancer research in Fiscal Year 1997.

Chairman Reed Hundt

May 9, 1997

Page 2

We continue to believe that no commercial standards and no public policy would justify the approach presented by the proposal.

Again, I apologize for the error.

Very truly yours,

A handwritten signature in black ink, appearing to read "Steve C. Hillard". The signature is fluid and cursive, with the first name "Steve" being more prominent.

Steve C. Hillard
President

Attachment

cc: Commissioner James Quello
Commissioner Rachelle Chong
Commissioner Susan Ness
Leonard S. Sawicki
Carl Marrs
Jackie Chomey
Suzanne Toller

David Siddall
Peter Tenhula
Rosalind Allen
Kathleen Hamm
Dan Phythyon
Jonathan Cohen
Jeanne Fowlkes

Evan Kwerel
Rhonda Lien
Ramona Melson
Laura Smith
D'wana Speight
Amy Zoslow

FCC LICENSES (\$ in millions)		1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
C-BLOCK AUCTION												
<u>License Financing</u>												
Purchase Price (NET)		\$ 10,216.6										
Down Payment	10%	\$ 1,021.7										
EXISTING FCC TERMS												
Beginning Principal	90%	\$ 9,194.9	\$ 9,194.9	\$ 9,194.9	\$ 9,194.9	\$ 9,194.9	\$ 9,194.9	\$ 9,194.9	\$ 9,194.9	\$ 6,896.2	\$ 4,597.5	\$ 2,298.7
Principal Payments		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (2,298.7)	\$ (2,298.7)	\$ (2,298.7)	\$ (2,298.7)
Interest Expense		\$ -	\$ 634.5	\$ 634.5	\$ 634.5	\$ 634.5	\$ 634.5	\$ 634.5	\$ 634.5	\$ 475.8	\$ 317.2	\$ 158.8
Interest Payments		\$ -	\$ (634.5)	\$ (634.5)	\$ (634.5)	\$ (634.5)	\$ (634.5)	\$ (634.5)	\$ (634.5)	\$ (475.8)	\$ (317.2)	\$ (158.8)
Ending Principal		\$ 9,194.9	\$ 9,194.9	\$ 9,194.9	\$ 9,194.9	\$ 9,194.9	\$ 9,194.9	\$ 9,194.9	\$ 6,896.2	\$ 4,597.5	\$ 2,298.7	\$ (0.0)
Interest Rate: 10 Yr T-Bill	6.9%	6.9%	6.9%	6.9%	6.9%	6.9%	6.9%	6.9%	6.9%	6.9%	6.9%	6.9%
Principal Payment Schedule (4 Year)		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	25.0%	25.0%	25.0%	25.0%
<u>Existing Government's Cash Inflow</u>												
Inflow - Principal Payments		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,298.7	\$ 2,298.7	\$ 2,298.7	\$ 2,298.7
Inflow - Interest Payments		\$ -	\$ 634.5	\$ 634.5	\$ 634.5	\$ 634.5	\$ 634.5	\$ 634.5	\$ 634.5	\$ 475.8	\$ 317.2	\$ 158.8
Cash Inflow		\$ -	\$ 634.5	\$ 634.5	\$ 634.5	\$ 634.5	\$ 634.5	\$ 634.5	\$ 2,933.2	\$ 2,774.6	\$ 2,616.0	\$ 2,457.3
Present Value of Existing Terms												
Discount Rate of 14%	\$6,079											
MCI'S PROPOSED TERMS												
Beginning Principal	90%	\$ 9,194.9	\$ 9,194.9	\$ 9,829.4	\$ 10,507.6	\$ 11,232.6	\$ 12,007.7	\$ 12,836.2	\$ 12,836.2	\$ 12,194.4	\$ 10,910.8	\$ 9,627.2
Principal Payments		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (641.8)	\$ (1,283.6)	\$ (1,283.6)	\$ (9,627.2)
Interest Expense		\$ -	\$ 634.5	\$ 678.2	\$ 725.0	\$ 775.1	\$ 828.5	\$ 885.7	\$ 885.7	\$ 841.4	\$ 752.8	\$ 664.3
Interest Payments		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (885.7)	\$ (885.7)	\$ (841.4)	\$ (752.8)	\$ (664.3)
Ending Principal		\$ 9,194.9	\$ 9,829.4	\$ 10,507.6	\$ 11,232.6	\$ 12,007.7	\$ 12,836.2	\$ 12,836.2	\$ 12,194.4	\$ 10,910.8	\$ 9,627.2	\$ 0.0
Interest Rate: 10 Yr T-Bill	6.9%	6.9%	6.9%	6.9%	6.9%	6.9%	6.9%	6.9%	6.9%	6.9%	6.9%	6.9%
Principal Payment Schedule (4 Year)		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	5.0%	10.0%	10.0%	75.0%
<u>MCI Proposal Government's Cash Inflow</u>												
Inflow - Principal Payments		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 641.8	\$ 1,283.6	\$ 1,283.6	\$ 9,627.2
Inflow - Interest Payments		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 885.7	\$ 885.7	\$ 841.4	\$ 752.8	\$ 664.3
Cash Inflow		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 885.7	\$ 1,527.5	\$ 2,125.0	\$ 2,036.5	\$ 10,291.4
Present Value of MCI's Terms												
Discount Rate of 14%	\$5,161											
US TREASURY LOSS FROM MCI PROPOSAL	\$918											